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REFERENCE TITLE: **long-term care; county contribution**

State of Arizona
House of Representatives
Forty-sixth Legislature
First Regular Session
2003

HB 2327

Introduced by
Representatives Graf, Carruthers, Senator Arzberger: Representatives Burns
J, Cajero Bedford, Cannell, Jayne, McClure, Pierce, Senator Rios

AN ACT

**AMENDING SECTION 11-292, ARIZONA REVISED STATUTES; RELATING TO MEDICAL CARE
OF INDIGENTS.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 11-292, Arizona Revised Statutes, is amended to
3 read:

4 11-292. Medical care; definition

5 A. The board of supervisors, subject to the applicable provisions of
6 title 42, chapter 17, articles 2 and 3, shall include in its annual budget an
7 amount equal to fifty per cent of the amount budgeted by the county board of
8 supervisors or the amount expended, whichever is less, for the
9 hospitalization and medical care of the indigent sick pursuant to this
10 article for fiscal year 1980-1981, except for Yuma and La Paz counties. The
11 contribution amounts of those counties shall be equal to the amount Yuma
12 county would have made pursuant to this subsection if a division had not
13 occurred apportioned between the counties. The office of the auditor general
14 shall determine the amount Yuma county would otherwise have included if a
15 division had not occurred and shall then determine the contribution amounts
16 of Yuma and La Paz counties based on the proportionate share of the estimated
17 population in these counties as of July 1, 1982.

18 B. For fiscal year 1994-1995, and for each fiscal year thereafter, the
19 state treasurer shall withhold an amount sufficient to meet the county
20 portion of the nonfederal costs of providing long-term care system services,
21 pursuant to title 36, chapter 29, article 2, excluding services to the
22 developmentally disabled, from monies otherwise payable to the county under
23 section 42-5029, subsection D, paragraph 2. This amount and the state
24 portion of the nonfederal costs shall be specified in the annual
25 appropriation for the maintenance and operation of the Arizona health care
26 cost containment system. For fiscal years 1994-1995, 1995-1996 and 1996-1997,
27 monies shall be withheld from each county based on the following percentages
28 derived from a state auditor general's certified audit of fiscal year
29 1987-1988 county long-term care and home health care expenditures, except
30 that amounts withheld shall be adjusted to reflect amounts paid by counties
31 pursuant to section 36-2952:

32	1. Apache:	0.22%
33	2. Cochise:	2.49%
34	3. Coconino:	0.66%
35	4. Gila:	2.56%
36	5. Graham:	0.64%
37	6. Greenlee:	0.34%
38	7. La Paz:	0.34%
39	8. Maricopa:	56.55%
40	9. Mohave:	2.73%
41	10. Navajo:	0.91%
42	11. Pima:	20.55%
43	12. Pinal:	5.09%

1	13. Santa Cruz:	1.05%
2	14. Yavapai:	3.12%
3	15. Yuma:	2.75%

4 C. In each fiscal year, of the total amount that is specified in the
5 annual appropriation as the nonfederal portion of the cost of providing
6 long-term care services, excluding services to the developmentally disabled,
7 and that represents an increase from the amount that was specified in the
8 annual appropriation for the prior fiscal year, the state shall pay fifty per
9 cent of the increase. The remaining nonfederal portion of the costs shall be
10 apportioned among the counties according to the proportion that each county's
11 net nonfederal expenditures for long-term care services, excluding services
12 to the developmentally disabled, bears to the total nonfederal expenditure
13 for all counties two fiscal years earlier, with the following adjustments in
14 the following order:

15 1. If the resulting net county contribution when expressed as an
16 imputed property tax rate per one hundred dollars of net assessed value
17 exceeds ninety cents, the county's contribution shall be reduced so that the
18 imputed property tax rate equals ninety cents and the difference shall be
19 paid by the state.

20 2. Any county with a native American population that represents at
21 least twenty per cent of the county's total population according to the most
22 recent United States decennial census shall contribute an amount equal to the
23 prior fiscal year's contribution plus fifty per cent of the difference
24 between the prior year's contribution were it calculated using the percentage
25 in subsection B of this section and the current year's contribution as if its
26 share of the total nonfederal portion of the long-term care costs had been
27 calculated using the percentage prescribed in subsection B of this section
28 and the state shall pay any difference from the amount otherwise required by
29 this subsection.

30 3. If, after making the adjustments in this subsection, a county would
31 contribute more than if its contribution were calculated using the percentage
32 prescribed in subsection B of this section multiplied by the total nonfederal
33 costs of long-term care services, excluding services to the developmentally
34 disabled, the county's contribution shall be reduced to the sum of its prior
35 year's contribution plus fifty per cent of the difference between the prior
36 year's contribution were it calculated using the percentage in subsection B
37 of this section and the current year's contribution as if its share of the
38 total nonfederal portion of long-term care costs had been calculated using
39 the percentage prescribed in subsection B of this section and the state shall
40 pay any difference from the amount otherwise required by this subsection.

41 4. BEGINNING IN FISCAL YEAR 2004-2005, ANY COUNTY WITH A POPULATION OF
42 LESS THAN TWO HUNDRED THOUSAND PERSONS THAT DOES NOT QUALIFY FOR ADJUSTMENTS
43 UNDER PARAGRAPH 1, 2 OR 3 OF THIS SUBSECTION AS OF JUNE 30, 2002 SHALL BE
44 LIMITED TO A MAXIMUM INCREASE IN CONTRIBUTION OF TEN PER CENT MORE THAN THE
45 PRECEDING FISCAL YEAR. THE STATE SHALL PAY ANY DIFFERENCE BETWEEN THE AMOUNT

1 CALCULATED PURSUANT TO THIS PARAGRAPH AND THE AMOUNT OTHERWISE REQUIRED BY
2 THIS SUBSECTION.

3 D. The director of the Arizona health care cost containment system
4 administration shall notify each county of the amount determined pursuant to
5 subsection A of this section to be included in its annual budget no later
6 than May 1 of each year.

7 E. If a county does not provide funding as specified in subsection A
8 of this section, the state treasurer shall subtract the amount owed to the
9 Arizona health care cost containment system fund by the county from any
10 payments required to be made by the state treasurer to that county pursuant
11 to section 42-5029, subsection D, paragraph 2, plus interest on that amount
12 pursuant to section 44-1201 retroactive to the first day the funding was
13 due. If the monies the state treasurer withholds are insufficient to meet
14 that county's funding requirement as specified in subsection A of this
15 section, the state treasurer shall withhold from any other monies payable to
16 that county from whatever state funding source is available an amount
17 necessary to fulfill that county's requirement. The state treasurer shall
18 not withhold distributions from the highway user revenue fund pursuant to
19 title 28, chapter 18, article 2.

20 F. Each month payment of an amount equal to one-twelfth of the total
21 amount determined pursuant to subsection A of this section shall be made to
22 the state treasurer. Beginning October 1, 1989, payment of this amount shall
23 be made to the state treasurer on or before the fifth day of each
24 month. Upon request from the director of the Arizona health care cost
25 containment system administration, the state treasurer shall require that up
26 to three months' payments be made in advance, if necessary.

27 G. The state treasurer shall deposit the amounts paid pursuant to
28 subsection F of this section and amounts withheld pursuant to subsection E of
29 this section in the Arizona health care cost containment system fund
30 established pursuant to section 36-2913.

31 H. If payments made pursuant to subsection F of this section exceed
32 the amount required to meet the costs incurred by the Arizona health care
33 cost containment system for the hospitalization and medical care of a person
34 who is defined as an eligible person pursuant to section 36-2901, paragraph
35 6, subdivision (a), the director of the Arizona health care cost containment
36 system administration may instruct the state treasurer either to reduce
37 remaining payments to be paid pursuant to this section by a specified amount
38 or to provide to the counties specified amounts from the Arizona health care
39 cost containment system fund.

40 I. The amount of the county contribution to the Arizona health care
41 cost containment system fund established in section 36-2913 shall not exceed
42 thirty-three per cent of the amount that the system administration expended
43 in the county for fiscal year 1983-1984. For the purposes of this
44 subsection, system administration expenditures in a county for fiscal year
45 1983-1984 are the total capitation and fee for service amounts paid by the

1 system administration to providers in a county before February 1, 1986 for
2 services rendered during fiscal year 1983-1984 to persons eligible for the
3 system.

4 J. The state treasurer shall deposit amounts withheld pursuant to
5 subsection E of this section in the Arizona health care cost containment
6 system fund established by section 36-2913.

7 K. The state treasurer shall deposit the monies withheld from the
8 counties and contributed by the state pursuant to subsection B of this
9 section in the long-term care system fund established by section 36-2913, in
10 twelve equal monthly installments. The monthly installments shall be
11 deposited in the fund by the state treasurer by the fourth working day of
12 each month.

13 L. By July 1 or within sixty days after enactment of the annual
14 appropriation for the maintenance and operation of the Arizona health care
15 cost containment system, whichever is later, and after consulting with the
16 joint legislative budget committee and the governor's office of strategic
17 planning and budgeting, the state treasurer shall notify each county of the
18 amount to be withheld pursuant to subsection B of this section.

19 M. If the monies deposited in the long-term care system fund pursuant
20 to subsection K of this section are insufficient to meet the funding
21 requirement as specified in the annual appropriation for the maintenance and
22 operation of the Arizona health care cost containment system pursuant to
23 subsection B of this section, the state treasurer shall withhold from any
24 other monies payable to that county from any available state funding source,
25 other than the highway user revenue fund, the amount required to fulfill
26 fifty per cent of the funding requirement and shall deposit the monies in the
27 long-term care system fund. The state shall pay the remaining fifty per cent
28 of the funding requirement.

29 N. If any monies in the funds for the purpose of title 36, chapter 29,
30 article 2 remain unexpended at the end of the fiscal year, the director of
31 the Arizona health care cost containment system administration shall specify
32 to the state treasurer the amount to be withdrawn from the long-term care
33 system fund. Of the amount specified, the state treasurer shall distribute
34 fifty per cent to the counties pursuant to subsection B or C of this
35 section. The remaining fifty per cent shall be distributed to the state.

36 O. The board of supervisors of a county that is a program contractor
37 pursuant to section 36-2940 shall include in its annual budget, subject to
38 title 42, chapter 17, articles 2 and 3, monies received from the Arizona
39 health care cost containment system fund and long-term care system fund for
40 the purposes of title 36, chapter 29, article 2.

41 P. Notwithstanding any law to the contrary, beginning in fiscal year
42 2002-2003 and in each fiscal year thereafter, the state treasurer shall
43 withhold a total of five million dollars for the county contribution for the
44 administrative costs of implementing sections 36-2901.01 and 36-2901.04
45 beginning with the second monthly distribution of transaction privilege tax

1 revenues otherwise distributable after subtracting any amounts withheld for
2 the county long-term care contribution. Beginning in fiscal year 2002-2003,
3 the state treasurer shall adjust the amount withheld according to the annual
4 changes in the GDP price deflator and as calculated by the joint legislative
5 budget committee staff. Beginning in fiscal year 2003-2004, the joint
6 legislative budget committee shall calculate an additional adjustment of the
7 allocation required by this subsection based on changes in the population as
8 reported by the department of economic security. For the purposes of this
9 subsection "GDP price deflator" has the same meaning prescribed in section
10 41-563. Each county's annual contribution is as follows:

- 11 1. Apache, 1.342 per cent.
- 12 2. Cochise, 2.503 per cent.
- 13 3. Coconino, 2.469 per cent.
- 14 4. Gila, 1.014 per cent.
- 15 5. Graham, 0.721 per cent.
- 16 6. Greenlee, 0.185 per cent.
- 17 7. La Paz, 0.384 per cent.
- 18 8. Maricopa, 59.289 per cent.
- 19 9. Mohave, 2.882 per cent.
- 20 10. Navajo, 1.889 per cent.
- 21 11. Pima, 17.167 per cent.
- 22 12. Pinal, 3.359 per cent.
- 23 13. Santa Cruz, 0.794 per cent.
- 24 14. Yavapai, 3.173 per cent.
- 25 15. Yuma, 2.829 per cent.

26 Q. The state treasurer shall deposit the amounts paid pursuant to
27 subsection P of this section in the budget neutrality compliance fund
28 established by section 36-2928.

29 R. For the purposes of this section, "net assessed value" includes the
30 values used to determine voluntary contributions collected pursuant to title
31 9, chapter 4, article 3 and title 48, chapter 1, article 8.